South Africa’s form of globalisation: a continental posture paradox for insertion and dependence

Johannes Tsheola *

School of Economics & Management, University of the North, Private Bag X1106, Sovenga, 0727
South Africa

Abstract

The fashionable form of globalisation has perpetuated Africa’s incapacity for auto-centeredness. As promises of political and economic reforms did not materialize and as economically powerful states continued to be indifferent, most African states resorted to the strategy of self-interest for international legitimacy and faith in foreign direct investment (FDI) and aid. Departing from its portrayal as a relatively developed, competitive and civil-minded state in Africa, South Africa reinvented modernity in the hope of servicing similar self-interests. I argue that South Africa’s form of globalisation is paradoxical. While positing as a voice for the voiceless and leader of African renaissance, that country simultaneously mediated Africa’s relations for appropriation of neo-liberal principles. Occurring predominantly through political and economic liberalisation, globalisation of Africa is ‘an old story’ of insertion for dependence on foreign capital. I show that South Africa’s neo-liberal agenda in Growth, Employment and Redistribution (GEAR), as well, engendered openness to imports. Given the commonalities between GEAR and the New Partnership for Africa’s Development (NEPAD), I argue that the latter is South Africa’s instrument of ‘reintegrating’ Africa. I also illustrate that South Africa’s foreign economic policy in Africa and NEPAD are founded on the marginalisation thesis, misreading of the paradoxical operations of neo-orthodoxy globalisation in Africa and the thinking that South Africa is suffering due to its geographical association with Africa. I conclude that that country’s form of globalisation will further empty Africa of its capacity of auto-centeredness and engender openness to imports, which are yet to deliver continental recovery. © 2002 Elsevier Science Ltd. All rights reserved.

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* Corresponding author. Fax: +27-152-683-523.
E-mail address: johannest@unin.unorth.ac.za (J. Tsheola).
Introduction

Post-apartheid South Africa dramatised and identified with the sentiments of African renaissance, African unity, African century and African moment (Koelble, 2000; Sihlongonyane, 2001). These sentiments signalled ‘new hope’ of African economic recovery and welfare which were, according to the United Nations Conference on Trade and Development (UNCTAD), reliant on the South African economy sparking a faster and sustainable pace of growth (cited in Wadula, 2001). The non-racial state was expected to assume leadership in a concerted continental response to globalisation and in charting the way forward for Africa. Also President Mbeki posited his country as a leader in African renaissance.

Paradoxically, the mid-1990s saw the neo-liberal argument reasserting itself and becoming pervasive in development debate and practice in South Africa (Streak, 1997) under the rubric of globalisation. Arguing that the Reconstruction and Development Programme (RDP) constrained its capacity for engagement with globalisation, government adopted Growth, Employment and Redistribution (GEAR), a purely neo-liberal strategy, in 1996. GEAR’s form of engagement with globalisation has been based on the faith that once the state liberalises, privatises and establishes the market fundamentals required by foreign capital, which is seen as key to economic recovery of the post-apartheid state, foreign direct investment (FDI) would automatically follow. That same logic has underscored the drive towards Millennium Africa Renaissance Programme (MAP), which has since been merged with Omega to establish the New Partnership for Africa’s Development (NEPAD). The only difference between MAP and NEPAD is in the name. The apparent commonality in the basic principles underlying GEAR and NEPAD cannot be disassociated from President Mbeki’s decisive lead in the formulation and selling of the New African Initiative, as it was originally designated.

Despite claiming its uniqueness in Africa, South Africa’s lead of NEPAD has underrated the African states’ differences and rendered African development difficulties similarly amenable to the fashionable neo-libertarian strategies. African states have a common colonial heritage, but are not ‘monolithic’ (Ramutsindela, 2001). For that reason, analysis of South Africa’s form of globalisation, a country that also seeks to ‘reintegrate’ Africa into the global system, is theoretically inspiring. Conceptually,

the association of South Africa with the rest of the states on the continent raises critical questions about the abstraction of the post-apartheid state (Ramutsindela, 2001: 58).

In this article, I unravel the nature of South Africa’s engagement with globalisation and its commitment to ‘reintegrate’ Africa into global capitalism to establish why that country opted for pro-market ideology and decisively mediated for appropriation of the same in the continent through NEPAD. I examine the principles underlying that state’s strategies of globalisation, GEAR in particular, to show that they engender openness to imports in their drive for FDI. I illustrate that when South Africa
received negligible FDI, government accepted the line of argument that blamed its location in Africa. Accordingly, as I will argue, government pursued a paradoxical process that hoped to mediate Africa’s relations for appropriation of neo-liberal strategies while flagging the concept of African renaissance. The hope of instigating African recovery through Western development principles, heavy reliance on Euro-centric value-laden FDI, and ‘reintegrating’ Africa into global capitalism is, for South Africa, deeply paradoxical.

In Section 2, I present a theoretical argument that points to insertion for dependence on FDI as the most prevalent form of globalisation of Africa. I discuss GEAR in Section 3 to identify its underlying principles for attracting FDI and to illustrate that it has engendered openness to imports and domestic capital outflow. I also underscore the thinking that South Africa’s location in Africa has been responsible for the negligible FDI inflow, in order to underline the reasons why that country has come to hold onto an ambitious foreign economic policy, which has hoped to integrate all of Africa into the global system. In practice, that policy is pursued through NEPAD. I cover that policy and NEPAD in Section 4. I expose, in Section 5, South Africa’s form of globalisation as a continental posture paradox. In Section 6, I conclude that GEAR, foreign economic policy and NEPAD, as instruments of globalisation, signify South Africa’s self-interested desire to attract FDI to itself. Theoretically, South Africa’s mediation of Africa’s relations through NEPAD would not engender auto-centered, inward-looking development. The end result of that form of globalisation would almost always be insertion of Africa into the global system for dependence on FDI, rather than integration for interdependence. Apparently that country has hoped to assume a continental posture to disguise its domestic self-interests of attracting FDI. First, I provide conceptual incision for the most dominant form of globalisation of Africa in the next section.

Globalisation of Africa: insertion for dependence on FDI

The operations of globalisation are temporally and spatially variable. Generally, its operations in erstwhile colonies differ significantly from those in the former colonial powers (Amin, 2001; Amuwo, 2001; Bayart, 2000). Thus and Amuwo (2001) cautioned that interrogations of the meaning and essence of globalisation, particularly for Africa, ‘ought not to be equated to universalisation’. The latter can be skillfully domesticated, localised and rendered more useful, more appropriate and more germane to the resolution of the pressing domestic issues by different states (Amuwo, 2001: 2). Referring to the spatially and temporally contradictory forms of operations of globalisation, Amin (2001) has observed that

… the global system has an asymmetric structure: the centres are inward-looking, auto-centred and simultaneously integrated in the global system in an active way (they shape the global structure); while the peripheries are not inward-looking (not auto-centred) and therefore integrated in the global system in a passive way
Amin (2001) and Amuwo (2001) presented inspirational analyses of the form of globalisation of Africa using the concept of auto-centeredness. To them, auto-centeredness signifies inward-looking, export-orientation and openness (without necessarily being open to imports) that the presently developed states have historically pursued. Thus, these states have been able to integrate into the global system while maintaining capacity to shape, instigate and drive globalisation for their own benefits.

The fashionable discourse on globalisation has, however, held that Africa has, and is being, ‘marginalised’ or ‘disconnected’ due to its ‘bad policies’ (Jordaan, 2001; Petrella, 1996; Robertson, 1992; Sachs, 1998; Scott, 1995). Africa is, therefore, implored to learn from successful nations and to develop the ‘determination to succeed in the global marketplace’ (Jordaan, 2001: 83) wherein liberalisation of trade, privatisation and democratisation are thought to carry advantages for all the participants. Assuming that neo-libertarian globalisation pursues ‘the maximisation of production’ and trade, conventional economics has blamed Africa’s development difficulties on the lack of, or insufficient or superficial, integration. It is believed that all participants in the global system have access to ‘a common pool of resources’ such as markets for capital, science, technology, goods and services and cultural goods (Jordaan, 2001; Veseth, 1998). That argument suggests that regions that operated outside the global system have been ‘marginalised’ as they did not have access to that ‘pool of resources’. All states and their societies are thought to possess the necessary means to access and share in the global resources (Jordaan, 2001).

Purportedly, the only pathway for Africa to become globally competitive and to prosper is through neo-libertarianism and attraction of FDI, which is seen as a necessary condition for Africa’s recovery. That continent’s development difficulties are explained largely in terms of the unattractive image to global investors and the continuing ‘disconnection’, which is blamed on inward-orientation. Africa is, therefore, called upon to restore investor confidence and to change the negative general perceptions that are based on its ‘political instability, lack of accountable government, poor infrastructure, and a massive brain drain’ (Jordaan, 2001: 83). Essentially, states in the continent have been challenged to embark on market-oriented reforms, to liberalise their economies and politics and to privatise widely. From a conservative stance, the necessary form of globalisation for Africa is twofold: the creation of an environment that is conducive to FDI; and, the adoption of an open, outward-oriented economics and western democratic principles.

Historically, Africa engaged globalisation with such openness which rendered African states’ ‘integration’ an act of insertion for dependence on FDI and for adjustment to, rather than for shaping, the system (Amin, 2001; Amuwo, 2001; Bayart, 2000). Dismissing Africa’s declining exports and imports as insufficient evidence of disconnection, Amin (2001: 3) used the ratio of extra-regional trade to GDP to show that Africa has been ‘more integrated into the world system than any other developed or developing region’. Thus, Africa’s development difficulties are seen as a manifestation of the continent’s historical destruction through intensive insertion into the
global system for dependence. Libertarian globalisation has historically selected ‘the volumes and conditions of production’ that maximised profit rate of capital (Amin, 2001: 3) thus ensuring that benefits leapfrogged weaker states (Buijs, 2000). That process cannot, therefore, be expected to possess ‘redeeming features’ and/or ‘nothing inherently adversarial to weak and poor states and continents’ (Amuwo, 2001: 2).

To be sure, the operations of globalisation in Africa have not signified a pristine post-colonial phenomenon (Amin, 2001; Amuwo, 2001; Bayart, 2000). According to Amuwo (2001: 1), the same old capitalist economic ethic continues to be disguised in a seemingly value-free globalisation thesis that ‘what is good for international capitalism’ is also good for Africa; thus, perpetuating privatisation and marketisation of Africa. Based on colonial fashioning, neo-liberal globalisation further emptied African states of their capacity for auto-centeredness. Far from being ‘closed’ or ‘autarchic’, auto-centeredness denotes inward-looking and openness. That development orientation allows for engagement with globalisation in an active way for shaping the global structure (Amin, 2001; Amuwo, 2001). States that are not auto-centered are integrated in the global system in a passive way, only to adjust to the system and to wait and hope for globalisation to deliver its seemingly positive effects. Imperialism is itself seen to signify the most aggressive phase of the currently developed nations’ openness and inward-looking development. Conversely, Africa has not been auto-centered.

Essentially, globalisation is seen as ‘an old story’ that developed alongside development of the capitalist world-economy wherein Africa’s currently unattractive features were forged through colonial fashioning between 1880 and 1960 (Amin, 2001; Bayart, 2000). Hence, Amuwo (2001: 3) has defined modern globalisation as ‘western imperialism couched in a political language that is more acceptable, because it is less offensive’. For those African states whose economies were laid prostate through the International Financial Institutions’ structural adjustment programmes (SAPs) in the 1980s and 1990s, neo-libertarianism has therefore signified subscription to another round of ‘neo-classical’ and ‘monetarist economic dosages’, which has not changed context, content or orientation (Amuwo, 2001: 3).

In Africa, the political conditionalities that have come with the increasing dominance of a single global market phenomenon have been privatisation and democratisation (Fine & Stoneman, 1996). As ‘faith in the market came to replace faith in government’ (Stallings, 1995: 30), Africa’s relations with the rest of the world underwent increasing liberalisation (Bayart, 2000). The effects of that form of globalisation of Africa has been to allow a political space for external forces, particularly the Bretton Woods institutions, to establish a network of institutions that came to reduce the states’ capacity to discharge their social welfare responsibilities (Ninsin, 2001; Streak, 1997). That liberalisation agenda has virtually emptied African states of their capacity of auto-centeredness and inward-looking orientation. Emptied of their capacity of integration for interdependence, African states did little more than wait and hope for globalisation to deliver FDI. Africa’s continuing development difficulties have to be seen to dramatise, therefore, ‘objective conditions’ of insertion for dependence on FDI, rather than ‘marginalisation’, ‘disconnection’ or ‘bad poli-
cies’. Conceptually, therefore, African initiatives that are based on hopes of ‘making up for historic backwardness’ through neo-libertarianism would inevitably contribute towards further destruction of that continent’s capacity of auto-centeredness.

Undoubtedly, being ex-colony or coloniser impacts on the operations of modern globalisation nationally and on the manner of engagement with that process. Colonisation has created for Africa relations of dependence with the rest of the world (Bayart, 2000; Cooper, 1981; Newbury, 1988; Ramutsindela, 2001). Based on colonial fashioning, neo-liberal globalisation of Africa became paradoxical as it proceeded by

re-inventing existing practices, or by juxtaposing them, by processes of sedimentation, transfers of meaning and the manufacture of identities which are subsequently deemed authentic (Bayart, 2000: 251).

Likewise, the operations of globalisation in South Africa can be expected to be paradoxical. That is not intended to deny that country’s uniqueness in Africa. But ‘South Africa has more in common with Africa than with states elsewhere’ in the world (Ramutsindela, 2001: 58, 80). One of Africa’s colonial heritages shared by South Africa is

a created and imposed sovereignty at the instance of the dominant states of the international system (Ramutsindela, 2001: 58).

In reality, African states are now virtually ‘obliged to please the external powers that confer legitimacy on them and give them financial aid’ (Ninsin, 2001: 16–17). Post-apartheid South Africa too has sought for international legitimacy and recognition as the most civil-minded state in Africa in that lopsided system. Effectively, liberalisation of Africa saw states there forfeiting control over their economies and settling for ‘subordinate roles in “market-led” exploitation of their territories’ (Fine & Stoneman, 1996: 22). As these states were increasingly ‘obliged to live from hand to mouth’ (Badie, 1999 cited in Bayart, 2000: 267), they responded through a strategy of ‘free rider’ that would strive for FDI and aid. In that way, liberalisation of Africa promoted individualistic state self-interests above collective continental objectives.

In this article, I hold the view that Africa’s form of globalisation has been outward-looking and open, rather than being auto-centered. Thus, one of the major costs of neo-libertarianism for the continent has been its great vulnerability to external forces and the incapacity to adequately deal with global threats (Fischer, 2000). Conceptually, therefore, the adoption of neo-libertarian measures by South Africa can be expected to further strip it of its capacity for auto-centeredness. I also maintain that Africa’s vulnerability to external pressures and dictates continues to be a function of its reliance on FDI for recovery. Inevitably, African states continue to individually pursue domestic self-interests of attracting FDI and aid.

Effectively, African states continue to trade-off their capacity of auto-centeredness for political expediency, international legitimacy, economic adjustment, stabilisation, efficiency, productivity and profitability interests. Thus, the West’s requirements for
democracy, good governance, independent judiciary, fiscal discipline and economic reform continue to pervade African recovery debate. Logically, I view GEAR and NEPAD as responses to these externally-designed requirements and interests. I argue that these policies are grounded in a misconception of the paradoxical operations of globalisation in Africa. Based on the drive towards privatisation and the desire to attract FDI, GEAR and NEPAD would not promote auto-centeredness for South Africa and Africa. Conceptually, these strategies would engender further ‘insertion’ of Africa for adjustment to, rather than for shaping, globalisation; because they do not strive to domesticate, localise and render globalisation useful to their genuine domestic concerns. The end result of Africa’s passive insertion into the global system will continue to be the prioritisation of state domestic self-interest above collective continental objectives. Having established sound market fundamentals that have not attracted the expected FDI, as I illustrate in the next section, South Africa came to hold onto an ambitious African policy and, subsequently, led the NEPAD process in the hope of correcting Africa’s image, which is thought to deter FDI to that country by association. Therefore, I find South Africa’s drive of NEPAD to be predicated upon national, rather than continental, interests.

South Africa’s form of globalisation and location in Africa

Growth, Employment and Redistribution (GEAR) strategy

By the mid-1990s, government had accepted globalisation as a drive towards liberalisation, wherein the neo-liberal agenda of global business deregulation and rolling back the state are ‘the pre-conditions and only route to economic growth and development’ (ANCs, 1997a: 5). The establishment of market fundamentals as required by foreign capital was seen as insurance for FDI. Evidently, the adoption of GEAR marked government’s shift towards neo-orthodoxy globalisation agenda (Erwin, Webster, & Von Holdt, 1996; Marais, 1998; Stewart, 1997; Tleane, 2001) that signified its belief that the health of that country’s economy depended on imported capital.

GEAR’s vision entailed ‘more deep-rooted reforms’ and ‘transformation towards a competitive outward-oriented economy’ (RSA, 1996: 2, 4). As a starting point, it provided measures for building capacity for ‘meeting the demands of international competitiveness’ (RSA, 1996: 2). GEAR set out to promote growth and development through exports and investments promotion (ANC, 1997b). Government believed that ‘the integrity’ of GEAR was dependent on creating and maintaining a good, stable and favourable investment climate, in order to attract FDI (ANC, 1997b; RSA, 1996). The overriding aim of the reform, trade and industrial policies has been to promote liberalisation and outward-orientation. Thus, the core elements of GEAR have been economic reforms, fiscal deficit and debt reduction, exchange control relaxation, tariff reduction, privatisation or restructuring of state assets, and trade and investment expansion. In Africa, however, these measures have commonly engendered greater openness as states sought to attract FDI.

In the hope of boosting investor confidence and to promote exports, GEAR’s pol-
icy measures are addressed to external forces. Whereas the exchange rate policy was specifically targeted at foreign investors, two of the core medium-term measures focused on gradual relaxation of exchange controls and acceleration of the fiscal reforms. Stabilisation measures included accelerated tariff liberalisation, sharper deficit reduction, tighter monetary policies and productivity-linked wage increases. Trade and industrial policy signified government’s intent to abolish import surcharges. That policy called for outward-orientation and openness through acceleration of the tariff reductions in accordance with the WTO agreements. Reduction and removal of tariffs has most definitely reduced the costs of imported goods: thus rendering South Africa virtually open to imports. The public investment and asset restructuring policy provided for government to take decisive leadership in restructuring state assets with respect to ownership and governance. Privatisation of state entities, as envisaged in GEAR, involved either ‘a total sale of the asset, a partial sale to strategic equity partners or the sale of the asset with government retaining a strategic interest’ (RSA, 1996: 18).

Indicative of the depth of South Africa’s economic reform process, international financial institutions and foreign governments and investors alike have applauded government for its tight control of the budget as well as for the stabilisation and adjustment policies (Business in Africa, March 2001). GEAR’s measures were supposed to provide the necessary impetus for a 6% GDP annual growth rate and 400 000 annual new job creation by the year 2000. But over 5 years of neo-libertarianism is yet to yield the economic growth and job creation promises and to unlock FDI (Fraser, 2001; King, 2001). Apparently, government has misread the paradoxical operations of globalisation as evidenced in the ruling party’s erroneous assumption that:

Since the peaceful elections of a democratic government in 1994, the whole world has had a very positive attitude towards South Africa. …it is important for international politics that things work out in South Africa. We will get a lot of help from other governments and they will encourage investment here (ANC, 1997b: 16).

Unsurprisingly, government officials are frustrated as the macro-policy is yet to deliver the promises of neo-liberalism. Certainly, GEAR engendered openness to imports, rather than inward-looking and export-orientated development.

**FDI and openness to imports**

South African authorities are satisfied that GEAR established sound macroeconomic fundamentals, but are surprised why FDI has not been forthcoming (King, 2001). That frustration was compounded by increases in domestic capital outflow and net FDI deficit. Since 1994, a total of R55 billion of the domestic capital was invested in foreign countries in contrast to R45 billion in FDI received [Willy Madisha, President of the Congress of South African Trade Union (COSATU), cited in Nevin, 2001: 30]. The net FDI deficit has fluctuated from –R30 227 million (1995), -
R52 037 million (1996), –R31 707 million (1997), to –R65 523 million (1998) (South African Reserve Bank, 2001). Relaxation of exchange controls through GEAR’s instruments has most definitely created sufficient scope for those who hold capital to take their money out of South Africa. Free flow of capital is what the government asked for in GEAR, and the huge outflow of domestic capital is the outcome of the pill that the state has unquestioningly swallowed.

Whereas many South African companies have already moved their primary listings abroad, the queue of domestic companies applying to the Department of Finance to invest their capital in foreign markets is growing (Malunga, 2001). GEAR has essentially opened the floodgates for domestic capital to move abroad and, possibly, later on import into South Africa those products that they used to produce locally. That is a far cry from being export-oriented; and, ‘it would be a surprise if foreign investors started queuing to come to SA (South Africa) when domestic investors are either taking their money out or waiting to do so’ (Malunga, 2001: 10). Thus, despite strict adherence to fiscal discipline that country experienced state expenditure deficit increase from –R16 063 million in 1999 to –R20 039 million in 2000 (SARB, 2001). That happened in the context of further expenditure reductions on health, police, welfare and education in the 2000/01 budget.

To be sure, there is no state in Africa that has attained increased rates of FDI by mere strict compliance with the IMF and World Bank requirements or adherence to neo-liberal orthodoxy (King, 2001). South Africa, which had hoped to be an exception to the rule in Africa, has instead met with increasing retrenchments and labour strikes/work-stoppages. Whereas there were only 315 strikes/work-stoppages in 1995, their number more than doubled to 901 in 1996 and 1324 in 1997 (SARB, 2001). That is indicative of domestic dissatisfaction with the macro-policy. Following Amuwo (2001) and Friedman (2001), I conclude that GEAR’s drive for FDI ensured that foreign interests, rather than domestic ones, would have pre-eminence and a stronger hold on government.


In South Africa, therefore, the 1996 neo-libertarianism has largely inaugurated greater openness to imports and relatively negligible export price gains. That country’s exports have largely constituted raw materials, like steel, coal and precious metals, and agricultural products, such as fruits and wool, that all fetch low prices in the global market (ANC, 1997b). On the contrary, its imports constituted highly priced machinery, electronic parts and goods, such as computers, televisions and
microwaves. The result of liberalisation has inevitably been bad balance of payments. Being colonially fashioned, that country’s neo-liberalisation engendered greater openness to imports. The marginalisation thesis that FDI is the key to South Africa’s development is in that sense misplaced because the drive to attract foreign capital would always encourage such openness. Essentially, GEAR further integrates South Africa in an ‘open forward position’ (King, 2001: 11) because that country has been emptied of its capacity for auto-centeredness through colonialism.

Amidst government’s fervent efforts to please foreign capital interests, the rand depreciated to unprecedented levels against the US$. In 2001 alone, the rand slumped by over 20% to the US$ (King, 2001). Even before the 11 September 2001 World Trade Centre disaster the rand had depreciated by 11% against the US$ (Sigonyela, 2001). Explanations range from the recent Zimbabwean crisis and the South African government’s response to it, President Mbeki’s contradictory stance on HIV/AIDS and the association with uncertainties of the emerging markets and the attendant capital flight. South Africa’s geographical association with Africa has factored in every other explanation. Explanations of the depreciation of the rand in terms of ‘adverse investor sentiment’ linked the latter to South Africa’s location in Africa. King (2001) asserted that clinging to orthodox theories will not help as investors have over the years shifted their focus from macro fundamentals to structural and socio–political factors that affect the state’s risk premium. Indeed, negative sentiments towards an area will set a negative spin on FDI; hence, government adopted the geography logic.

Location in Africa: FDI image

The South African government has been unambiguous in its desire to do what it takes to attract FDI. The country was favourably rated as the FDI destination by various independent and international institutions (Business in Africa, March 2001). But its uniqueness, semi-peripheral status and geographical location in Africa have made for a complex FDI equation. It has become fashionable for commentators to assert that South Africa has to remind the world that its geographical location in Africa does not necessarily suggest it suffering a political and economic disaster similar to those in southern Africa, particularly in Zimbabwe (Finance Week, 19 May 2000). As Coulson (2001: 6) has put it, perceptions have been ‘more important than the reality that Zimbabwe is insignificant in the global picture’.

Many international companies have for a long time avoided Africa as a matter of principle (Slabber, 2000). Thus, AT Kearney management consultants asserted that:

South Africa’s primary challenge is to develop its identity as an investment destination independent from the rest of Africa (cited in Slabber, 2000: 20).

From its survey of the executives of 1000 global companies on South Africa’s investment potential, AT Kearney recommended that a clear-cut investment personality, independent of the rest of Africa, be developed. Similarly, SACOB (South African Chamber of Business) attributed the decline in business confidence to the
instability in financial markets and the negative perceptions of the socio-economic developments in SADC (Slabber, 2000). Business Map supported the idea that location in Africa is costly in terms of FDI. It blamed South Africa’s low FDI levels of the first quarter of 2000 on the ‘not very cheerful international profile of the region’ (cited in Slabber, 2000: 20). AT Kearney indicated from its opinion survey on FDI confidence index that although many potential investors recognise that there is a 50% probability of achieving profit targets in southern Africa, Africa is however considered ‘as the highest risk region for FDI’ (cited in Slabber, 2000: 20). Generally, it is believed that the Zimbabwean crisis rekindled those foreign investors’ fears about Africa that are never far from the surface (Coulson, 2001; Preece, 2000). Purportedly, therefore,

South Africa has been specially hit by having Zimbabwe as its most important neighbour, with Angola still trapped in a 25-years-old civil war (Preece, 2000: 22).

More precisely, Zimbabwe is identified as one of the flash points of regional instability that has always deterred FDI flows into South Africa by association (King, 2001).

Indeed, the primary role of free capital is to actively seek for and exploit profitable opportunities where ‘the potential returns exceed the risks taken in the process’ (King, 2001: 11). South Africa’s difficulties attracting FDI have been associated with the uncertainties of the emerging markets and investor ‘panic flight’ and, more specifically, with Africa’s instability. But the fact that the rand has been unable to ‘hold its ground against African currencies’ (Sigonyela, 2001: 4) goes beyond disproving the logic of location in Africa to dispel assertions of ‘panic flight’. Moreover, the Malawian and Zambian kwacha gained about 20% whereas the Seychelles rupee appreciated by about 10.5% to the US$ in 2001 (Sigonyela, 2001).

Nevertheless, government accepted the thesis that it suffered the lack of FDI and currency depreciation due to its association with an unstable continent. Hence, President Mbeki’s line that ‘when something goes wrong in Somalia … the residents of Dead Man’s Creek, Mississippi, do not say “Something has gone wrong in Somalia”, they say “Something has gone wrong in Africa” (The Economist, 02–08 September 2000: 15). That geographical logic saw his government holding onto an ambitious foreign economic policy in Africa and assuming leadership of NEPAD to mediate neo-liberalisation, reintegration and globalisation of Africa.

**South Africa’s African policy: reintegration of Africa**

South Africa is now seen as a true incarnation of ‘progressive’ western values and virtues in Africa (Koelble, 2000; Sihlongonyane, 2001). Indeed, the West’s requirements for democracy, good governance, independent judiciary, fiscal discipline and economic reform pervade development thinking in that country. Seeing its association with Africa as a FDI deterrent, South Africa mediated neo-orthodoxy globalisation of Africa hoping to improve the continent’s FDI image.
**Foreign economic policy**

The Department of Foreign Affairs (DFA, 1996) identified the leadership role in Africa as one of the crucial elements of its foreign policy. President Mbeki pursued an ambitious vision of South Africa leading Africa into the era of African renaissance that would see change in the global capitalist order (ANC, 1997a; DFA, 1996; Landsberg, 2000). His government defined itself as a voice for the voiceless developing world, particularly Africa. Former Minister of Foreign Affairs, Alfred Nzo, indicated his country’s key foreign policy objective was to prioritise Africa (DFA, 1996).

The objective residing at the heart of South Africa’s foreign economic policy is to ensure that ‘barriers to trade are dismantled’ (DFA, 1996; Landsberg, 2000). To conjure free and fair global trade, South Africa vowed to ‘play a double-bridge role’ by positioning itself as both North–South and South–South bridge to establish and nurture ‘strategic partnerships and alliances’ with countries ranging from Egypt, Algeria, Nigeria, India and Brazil to Germany and the USA (ANC, 1997a; DFA, 1996; Landsberg, 2000). Minister of DFA, Dlamini-Zuma, expected that policy to ‘advance the welfare of the whole continent’ (cited in Landsberg, 2000: 78). Essentially, South Africa hoped to engender African recovery by liberalising and integrating the continent into global capitalism. Indeed, the tenet at the core of the DFA’s foreign economic strategy commits government to the full ‘integration’ of all of Africa. Logically, the externally-designed requirements for reform, peace and democracy became sine qua non for African recovery. DFA assumed, therefore, that the key challenge for South Africa is to establish itself as a:

credible champion of human rights, democracy and good governance by promoting respect for humane values and practices (DFA, 1996: 6, 12; Landsberg, 2000: 80).

These principles were elaborated by Alfred Nzo and widely flagged by Mbeki, who further characterized them as fundamental aspects of his country’s foreign economic policy in Africa. Thus, resolution of conflicts, termination of one-party dictatorships, stopping corruption and ending economic mismanagement have become the central pillars of that country’s foreign policy in Africa.

Fundamentally, that country’s foreign economic policy upholds and supports free global trade. Conceptually, government assumes that Africa’s sufferance resulted from its ‘disconnection’ from the global system. As I have argued already, the neoliberal agenda for Africa is based on the misreading of the contradictory operations of the fashionable form of globalisation in that continent. South Africa’s drive to liberalise and ‘integrate’ Africa is, obviously, informed by the FDI logic. Government’s desire to correct the negative perceptions and poor FDI image attached to South Africa as a matter of geographical association is paramount. Undeniably, South Africa hoped to create the required continental conditions for attracting FDI to its market; and, the drive to integrate Africa has become the means to that end. Thus, the same old pre-conditions for Africa’s access to FDI and aid are reinvented in that
country’s foreign economic policy in Africa as key challenges to be translated into real practice in that continent. South Africa’s NEPAD drive, as well, is fallible to the same domestically self-interested intentions.

The New Partnership for Africa’s Development (NEPAD)

NEPAD is a product of a merger between MAP and Omega Plan that was initially designated a New African Initiative and adopted by the Organisation of African Unity (OAU) in July 2001 in Lusaka, Zambia. The plan was renamed NEPAD and adopted by African Union (AU) in October 2001 in Abuja, Nigeria. Nkululeko, President Mbeki’s economic advisor and de facto CEO of NEPAD, confirmed that these plans differ in name, rather than substance (cited in Mvoko, 2001). He accurately characterised MAP as a ‘blueprint’ for NEPAD because ‘everything else remained as it was’ in the original plan (cited in Mvoko, 2001: 2). Although MAP was purportedly a brainchild of three African leaders (including Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria), President Mbeki has unquestionably assumed the lead in championing and selling the initiative to Africa and the developed world. Mbeki single-handedly marketed the initiative to the World Economic Forum (WEF), the G-7, the international financial institutions, the US President, the UK Prime Minister, and to the German Chancellor in 2000/2001. Apparently, what South Africa hoped to attain through MAP, it will now seek through NEPAD.

NEPAD is portrayed as a new and unprecedented approach to the same old problems in Africa, largely because it is ‘anchored on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalising world’ (African Union, 2001: 1, 14). Assumed to be a ‘new paradigm’, the initiative is thought to go beyond trade to embrace ‘organised’ transfers of technology from Europe to Africa and to allow African agricultural and industrial products access into the EU and other markets in the north (AU, 2001; Landsberg, 2000; Mills, 2001a). However, that initiative is founded on the theoretical argument that the continent has experienced disconnection from the global system. It holds that elsewhere, most probably referring to the Asian Tigers, ‘the pursuit of greater openness of the global economy has created opportunities’ for development (AU, 2001: 7). Expectedly, it blames Africa’s development difficulties on poor leadership, corruption, bad governance and policies pursued in the post-independence era, as well as the attendant negligible FDI.

Based on the marginalisation thesis, NEPAD’s major objective inevitably became reintegration of Africa into the global economy by creating an investment-friendly, peaceful, stable, democratic and corruption-free environment in the continent (AU, 2001: 1, 13). Mbeki hoped that Africa would be refocused away from foreign aid dependency to the promotion of investment infrastructure and business (cited in Mills, 2001a); but the tendency towards acute dependence on foreign capital for such investments continues. Beyond seeking increased Overseas Development Assistance (ODA) in the medium term, NEPAD ‘seeks to increase private capital flows to Africa, as an essential component of a sustainable long-term approach to filling the resource gap’ (AU, 2001: 37–38).
South Africa’s hopes of reintegrating the continent are predicated on familial principles of restoring and maintaining peace, promoting and protecting democracy and human rights by developing clear standards of accountability, transparency and participatory governance (AU, 2001). According to Mbeki (2001), promotion and practice of these principles would counter the legacy of Afro-pessimism and mobilise FDI. As can be expected, NEPAD’s overriding objective is ‘to consolidate democracy and sound economic management on the continent’ (AU, 2001: 57) by:

- strengthening mechanisms for conflict prevention, management and resolution and to ensure that these mechanisms are used to restore peace and maintain peace;
- promoting and protecting democracy and human rights by developing clear standards of accountability, transparency and participatory governance; and
- restoring and maintaining macroeconomic stability, especially by developing appropriate standards and targets for fiscal and monetary policies, and introducing appropriate institutional frameworks to achieve these standards (AU, 2001: 11).

These principles are the same as those that underlie GEAR. NEPAD calls for restoration of and maintenance of macroeconomic stability by putting in place the necessary ‘standards and targets for fiscal and monetary policies’ (AU, 2001: 11). The hope is to attain international competitiveness through increased integration, export-orientation and openness. Africa is expected to ‘ensure a sound and conducive environment for private sector activities’ and to ‘promote foreign direct investment and trade, with particular emphasis on exports’ (AU, 2001: 45). However, implementation of the rules and regulations of the WTO, which NEPAD hopes to achieve by building capacity in the continent, will open Africa to imports. In the process of ‘integration’, therefore, the continent’s capacity for auto-centeredness will be further drained.

The overriding objective of six key programmes on good governance, conflict prevention, management and resolution, building the infrastructure, modernising and integrating the banking system, debt reduction and access to markets, to be implemented immediately, is to nurture business confidence and to lower the costs of doing business in Africa. That way, NEPAD portrayed the hope of stimulating a continental average of 7% GDP annual growth rate for the next 15 years. Successful implementation of these programmes and the attainment of the growth target, depend acutely on mobilisation of massive resources and require heavy investment, the bulk of which ‘will have to be obtained from outside the continent’ (AU, 2001: 36). That same idea underpins the logic of GEAR; and the effects of NEPAD cannot be expected to differ.

The fervent intent for continued reliance and dependence on FDI is conspicuous in the assertion that:

The new long-term vision will require massive and heavy investment to bridge existing gaps. The challenge ahead for Africa is to be able to raise the required funding under the best conditions possible (AU, 2001: 14).

The drive to attract FDI has always meant that unwavering externally-designed
pre-conditions would attain pre-eminence in Africa. Thus, Mbeki (2001) made it abundantly clear that African states that wish to participate in the initiative will be required to commit themselves to its principles. The nature and origin of these underlying principles is apparent in his assertion that ‘the commitment to make Africa the preferred destination for both domestic and foreign investors is very deep’ (p. 9). Inevitably, reliance on FDI would almost always entail requirements for peace, security, democracy, good governance, human rights and sound economic management as pre-conditions. Hence, NEPAD calls upon African states to, individually and collectively, promote these principles for the sake of FDI. Undoubtedly, these principles draw from the longstanding requirements by International Financial Institutions and Western states on Africa, which were driven through reform policies. NEPAD, therefore, becomes another round of Africa’s purportedly ‘home-grown’ and ‘locally-driven’ reform package. In the final analysis, NEPAD’s ‘conditions for sustainability’ are similar to those set in structural adjustment programmes (SAPs).

Unsurprisingly, that initiative hopes to facilitate FDI flow into Africa by securing World Bank and other international financial institutions investments in the continent’s economic infrastructure. Experience shows that these institutions would never invest in Africa on that continent’s own terms. Despite the varieties of SAPs, certain key policy prescriptions have been maintained as ‘blueprint’. Based on the notion that the market is superior to the state, the following prescriptions became a norm in Africa’s reform packages:

- Rolling back of the frontiers of the state;
- Elimination of market distortions;
- Substantial reduction of the restrictions on free flow of trade and capital;
- Integration of the national economies more fully into the global capitalist system;
- Inclusion of a public sector wage freeze, reduced price subsidies and currency devaluation as stabilisation measures;
- Inclusion of a broad export promotion, economic liberalisation and the privatisation of state or parastatal assets as adjustment policies;
- Promotion of democratisation and good governance (Dixon, Simon, & Narman, 1995: 5).

These same recipes are repackaged in GEAR and NEPAD. These strategies portray SAPs as positive reforms that offered ‘only a partial solution’ by removing ‘serious price distortions’ (AU, 2001: 5; RSA, 1996). The message arising from NEPAD, as that from GEAR, does not depart from the 1980s and 1990s requirements by the US, EU, the IMF and the World Bank. It continues to be that:

Any African country that introduced democracy, good governance, an independent judiciary, fiscal discipline and economic reforms had no trouble attracting resources from the developed world (Cornish, 2001: 12).

NEPAD, for example, holds that ‘development is impossible in the absence of true democracy, respect for human rights, peace and good governance’ (AU, 2001:
The only difference is, in Cornish’s (2001: 12) phraseology, that ‘Africans are making the demands to Africans’. For that reason, South Africa’s lead of NEPAD and African recovery is paradoxical.

**South Africa’s globalisation: continental posture paradoxes?**

Post-apartheid government hoped to shed its historical portrayal as a ‘European outpost in Africa’ and, for some years now, ‘modeled its objectives in line with the African renaissance’ (Ngobeni, 2001: 5). Since 1996, however, government fervently held onto the belief that the only available route to African recovery was through FDI drive, neo-libertarianism, openness, outward-looking and export-orientation. Government ended up flagging the African renaissance conception that rejects Euro-centric domination of Africa, amidst appropriation of western neo-libertarian ideology. The African renaissance debate enunciates an Africanist perspective that rejects European domination over African conceptions of good life, community relations and citizenship (Nteniteni, 1997). It suggests an African challenge and rejection of the western influence and domination on African politics and an incarnation of an African democracy and development (Makgoba, 1996). Hoping to shed its perception as a European outpost while simultaneously mediating Africa’s relations for appropriation of neo-liberalism, South Africa adopted a form of globalisation that inevitably became paradoxical. Hence, Weiner (2001) has characterised government’s African renaissance drive as an ‘excuse’ for the appropriation and mediation of Euro-centric values in Africa.

**African recovery paradox**

Acknowledging the necessity for South Africa to deeply involve itself with African revival, government identified commitment to regional and continental growth and development as ‘an essential part of defining the national interest’ (ANC, 1997a: 1, 2). Southern Africa and Africa were placed at the top of that country’s global relations policy. Accordingly, the concept of African renaissance was advanced as the main pillar of that global policy with regard to the continent itself and the rest of the world (ANC, 1997a; DFA, 1996; Ngobeni, 2001).

From the ruling party’s perspective, key elements of the African renaissance vision include economic and political recovery of Africa that break its neo-liberal relations with the world’s powerful states (ANC, 1997a). To that end, government observed that the renaissance agenda should entrench stable African-grown democracies, rather than western pre-conditions, dislocation of neo-colonialism as well as ‘sustained and vigilant challenge against the strategic orientation of globalisation’ (ANC, 1997a: 7). Yet, South Africa has promoted neo-libertarian globalisation of Africa that saw government placing the same old Western requirements for human rights, justice and democracy at the forefront of its relations in Africa. Beyond those pre-conditions, the neo-liberal agenda in Africa has always carried the risk of sweeping the continent’s differences under the carpet and lumping it together as a uniform entity (Mills,
2001a) amenable to a single development recipe. That is what South Africa is striving for in NEPAD.

African recovery should be about African peoples ensuring that their development and integration into the global system is no longer conditioned by external circumstances in a manner that they would determine and shape their own destiny in globalisation. That, as NEPAD holds, would be realised if Africans themselves ‘negotiate a new relationship with their development partners’ (AU, 2001: 51) within, for example, WTO, World Bank and IMF. Paradoxically, South Africa itself used its weight at the recent WTO negotiations to compromise an African consensus that hoped to conjure a new relationship wherein developed states would also honour their promises. Apparently, South Africa is pursuing its self-interested belief that, as a relatively developed and competent state in Africa, it would benefit through improved FDI image and flow if the continent liberalised globally. That country’s self-interest was exposed as conflict of interest flared at the November 2001 WTO negotiations in Doha, Qatar. Led by Nigeria, African countries set out to block the new WTO negotiations on liberalisation of global trade on germane grounds that essential issues of the 1986–1994 Uruguay round, that are at these developing states’ interests, remained unresolved and unattended (Ngobeni, 2001). Whereas these developing countries are yet to experience the benefits of the Uruguay round, the developed states have not as yet lived up to their promises of granting greater market access to their products — essentially one of NEPAD’s objectives. South Africa, which finds nothing wrong with NEPAD’s objective of building capacity in Africa to ensure that states would implement the rules and regulations of the WTO, undermined the African consensus.

Genuinely, African states argued that they did not have the technical capacity to enter into new complex investment, competition and global trade liberalisation agreements (Ngobeni, 2001). Indeed, ‘the decision to postpone talks on investment and competition’ was a victory for Africa (Denny, 2001: 14). Yet, South Africa insisted that the global trade liberalisation negotiations should not be halted despite expressing understanding that Africa’s 1986–1994 Uruguay round concerns needed to be addressed. Government opted for opposing its African partners in such critical global issues despite its awareness that neo-liberalism has perpetuated the economic objectives and geo–political and strategic interests of powerful states. The ruling party has itself acknowledged that ‘the content and form of globalisation of trade, investment and capital flows, and the operations of some of the most important multilateral institutions (the World Bank, the IMF and other organs) largely reflects the wishes of these corporations’ (ANC, 1997a: 5). Reintegration of Africa by South Africa was destined to raise fears of that country not eschewing state propensity to single-handedly strengthen its external position vis-à-vis the continent (Fine and Stoneman, 1996).

South Africa took that route notwithstanding the risk of creating perceptions among African states that it does not have their interests at heart (Carin Voges cited in Ngobeni, 2001). The fact that South Africa insisted on its global trade liberalisation agenda at the WTO to the extent that it risked compromising mutual trust and common ‘brotherhood’ necessary for advancing African goals and renaissance
(Voges cited in Ngobeni, 2001: 5) through NEPAD points to deep-seated self-interests in liberalisation of Africa. That country did not abide by its own foreign policy principle in Africa of avoiding ‘a narrow, short term approach aimed at promoting self-interest’ (DFA, 1996: 13). Being well aware that Africa was ‘full of contradictions that would potentially undermine the creation of a common agenda’ (ANC, 1997a: 3), that country acted inconsiderately as it disrupted the African consensus. That behaviour signaled anything but ‘solidarity with the hopes and aspirations of Africa’ (DFA, 1996: 19) — the watchword upheld in that country’s foreign policy in Africa.

Worse, NEPAD’s endeavor to depend on transference of foreign-developed knowledge and technologies for promoting Africa’s international competitiveness would effectively undermine African culture, an integral part of continental renaissance. Paradoxically, NEPAD acknowledges indigenous knowledge, as in tradition-based literacy, artistic and scientific works, inventions, scientific discoveries, designs, marks, names and symbols, undisclosed information, and etc., as a critical dimension of African culture and recovery (AU, 2001: 34). Openness, which GEAR and NEPAD engenders, has robbed Africa of its capacity to protect and nurture these key ingredients of continental rebirth. Essentially, South Africa’s hope of driving African recovery through neo-liberalism is paradoxical because FDI is itself an interested value-laden phenomenon. That makes a mockery of NEPAD as ‘an African-owned and African-led development programme’, ‘based on the agenda set by African peoples through their own initiatives and of their own volition, to shape their own destiny’ (AÜ, 2001: 11, 14). Neo-libertarianism has been an instrument of Eurocentric forms of globalisation, rather than African renaissance. Authoritatively, the ruling party acknowledged that neo-libertarian ‘globalisation contradicts the very agenda of the Renaissance’ (ANC, 1997b: 6). Knowing that the advanced capitalist states and their home companies have set the agenda for that form of globalisation (ANCs, 1997a), South Africa became instrumental in setting the same pre-conditions for African recovery in NEPAD. Inevitably, that strategy will further destroy African states’ capacity of auto-centeredness.

In the final analysis, South Africa’s lead of NEPAD and mediation of the neo-orthodoxy globalisation of Africa ignores the reality that most states in the continent do not have the capacity to successfully engage neo-libertarianism. It is paradoxical for that country to flag the concept of African renaissance while ignoring such germane concerns by African states. In that context, I find South Africa’s lead of NEPAD to be motivated by the hope to improve the continent’s image so as to attract FDI to its own domestic market. Hence, NEPAD’s ‘first priority is to address investors’ perception of Africa as a “high risk” continent and to improve its ‘negative image’ (AU, 2001: 38). Based on the disconnection thesis, NEPAD falls far short of what other commentators have regarded as an instrument that ‘opens the way for a new, positive international engagement with the continent’ (Mills, 2001b: 34).

Continental posture paradox

The ANC government acknowledged that the African renaissance vision entailed placing SADC economic integration and African development as key priorities in
South Africa’s global economic strategy and relations. It is an obvious secret that most African states’ markets are extremely limited to offer attractive returns to potential investors (ANC, 1997a; AU, 2001; DFA, 1996). Therefore, the best form of globalisation for African states would be to pool their resources together and to improve their international competitiveness as regional economic groupings. African states would be relatively stronger if they liberalised globally as regional collectives of the Southern African Development Community (SADC), Economic Community of West African States (ECOWAS), Common Market for Eastern and Southern Africa (COMESA), Union of the Maghreb (UAM) and Communauté ‘économique et monétaire de l’Afrique centrale (CEMAC). The existing partnerships wherein Africa, or some bloc thereof, participates as a collective with developed states or multilateral institutions provide a useful cue in this regard. Beyond recognising SADC integration as one of the key elements of the trade and industrial policy, Nzo accurately observed that:

The promotion of economic development of the Southern African region is of paramount importance as the economies of the countries in the region are intertwined to such an extent that, for South Africa to believe that it would enter a prosperous future in isolation without taking neighbouring countries with her, would be unrealistic and hazardous (DFA, 1996: 13–14).

Thus, foreign policy principles commit government to consult SADC on issues of tariffs and trade and industrial policy (DFA, 1996; RSA, 1996). Government recognised that integration and cooperation with the North would not produce the required outcomes if it was not based on alliances and a common agenda by African states. Notwithstanding their problems, the five African economic groupings can provide a form of globalisation of Africa that would enhance capacity for active participation in the global system.

In practice, South Africa is ‘going it alone’ in global relations. The six point global economic strategy embraces the South–South concept that seeks to upgrade South Africa’s relations with the MERCOSUR, the Gulf Co-operation Council (GCC), the Caribbean Community and Common Market (CARICOM) and the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) (Landsberg, 2000). Insisting that economic power bases like the G-7, USA and Western Europe cannot be ignored (DFA, 1996; Landsberg, 2000), government pursued trade pacts with these western powerhouses. Despite Mbeki’s call for the establishment of a ‘strategic partnership’ between Africa and the EU at the Africa-EU Summit in Cairo (Egypt) in April 2000, his government pursued and attained a free trade arrangement with the EU. Additionally, investment incentives and export support schemes were targeted at the UK, Germany, the US, France, Italy and the Netherlands for special promotional campaigns (Engineering News, 16–22 February 2001). These generous incentive schemes saw Trevor Manuel, Finance Minister, cautioning government against ‘going overboard’ in its desire to attract FDI so that investors do not play South Africa against its neighbours (Ensor, 2001: 2). In practice, therefore, South Africa has not used SADC as a springboard for engaging globalisation.
That way, the global economic strategy threatens Africa’s gains in the Cotonou Agreement, the ‘Everything But Arms’ (EBA), the Africa Growth and Opportunity Act (AGOA), the UN New Agenda for the Development of Africa in the 1990s, the Africa–Europe Summit’s Cairo Plan of Action, the World Bank-led Strategic Partnership with Africa, the IMF-led Poverty Reduction Strategy Papers, the Japan-led Tokyo Agenda for Action, and the Economic Commission on Africa-led Global Compact with Africa. NEPAD has acknowledged the significance of and encouraged these partnerships. Far from being a continental posture, South Africa engages globalization apart of Africa and disguises its individualistic approach in the rhetoric of leading African recovery.

Conclusion

Based on the assumption that Africa was disconnected and that it needed to marry itself to globalization for its recovery, South Africa’s lead of NEPAD will most likely inaugurate another round of neo-liberalism. Post-apartheid African renewal will continue to be predicated upon insertion of Africa into global capitalism for dependence on FDI. Despite creating the necessary market fundamentals, South Africa itself attracted negligible amounts of FDI — a phenomenon explained overwhelmingly in terms of geographical association with Africa.

Beyond appropriation of western capitalist principles, South Africa hoped to mediate Africa’s relations for appropriation of the same. NEPAD is concrete evidence of Mbeki’s emphatic lead of an African recovery based on the creation of an investment-friendly, peaceful, stable, democratic and corruption-free climate. Paradoxically, his government advocated for neo-liberal globalisation of Africa being fully aware of its tendency to perpetuate the West’s goal of consolidating global capitalism through political pre-conditions for FDI, aid and trade relations with Africa.

African recovery through GEAR, NEPAD and FDI drive hinge, inevitably, on good governance, fiscal discipline, appropriate monetary policies, a liberal trade regime, faster and wider privatisation and the restructuring of the state, all of which have historically engendered greater openness to imports. Neo-liberal globalisation is paradoxical precisely because it is promoted by South Africa that hoped to shed its image as a European outpost in Africa through the concept of African renaissance. Thus, South Africa’s political rhetoric of leading African recovery and of being an African state by formation and renewal is matched in reality by conflict of interests.

South Africa’s mediation of neo-liberal globalisation of Africa will further strip African states of their ability to construct regional partnerships for shaping, instigating and driving the form, content, context and course of globalisation. The extent to which the existing opportunities can be usefully taken by Africa depends on the African states’ ability to engage the fashionable form of globalisation as regional economic blocs, rather than individual entities. South Africa’s moves to establish trade arrangements with MERCOSUR, GCC, IOR-ARC and CARICOM and the EU are all conspicuous by their exclusion of SADC. For that country, a continental
Posture entails a form of globalisation that seeks for global trade arrangements with other regional economic blocs and powerful states as part of SADC. Such a posture would, however, require major sacrifices and compromises on the part of South Africa; but then Africa would, if I could use President Mbeki’s phraseology, ‘turn the corner’ (cited in *Business Day*, 27 June 2001: 3).

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